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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 000792

SIPDIS

E.O. 12958: DECL: 01/31/2015
TAGS: PREL PGOV PTER MASS EAID PREF ASEC IN NP
SUBJECT: INDIA RESPONDS QUICKLY TO NEPAL KING'S ACTIONS;
SEEKS COORDINATED LINE WITH WASHINGTON

Classified By: Ambassador David C. Mulford, for Reasons 1.4 (B, D)

11. (S) Summary: Expressing "grave concern" over the King's decision to dissolve the multiparty government in Nepal, and calling the action "a serious setback to the cause of democracy," New Delhi responded swiftly and with unusual firmness to the February 1 developments in Kathmandu. In a statement issued just hours after the King wrested power from Prime Minister Deuba, the MEA called for the safety and welfare of Nepalese political leaders who are now reportedly under house arrest, and stated that the King had violated the principles of multiparty democracy and constitutional monarchy as enshrined in Nepal's Constitution. In a February 1 phone call to the Ambassador, Foreign Secretary Saran urged that Washington reinforce the GOI line with its own strong statement. Saran warned that if there is large scale agitation in Kathmandu, and if the RNA overreacts, India may have to "take some unpopular decisions." In that eventuality, Saran added, he hopes Washington and New Delhi will be on the same page. End Summary.

## Joint Message

- 12. (C) In a sign of growing GOI commitment to the US-India security partnership, Foreign Secretary Saran called the Ambassador on the afternoon of February 1, just a few minutes after New Delhi had issued its statement on the situation in Nepal (full text para 6). Saran described the MEA release as "unusually strong" and urged the Ambassador to work with Washington to generate a reinforcing message from Washington. Invoking the RNA's record of poor human rights practices, Saran expressed concern about the likelihood of large scale agitation in Kathmandu. If the RNA overreacts, India may have to "take some unpopular decisions" (no further information) and, Saran added, hopes Washington and New Delhi will be on the same page.
- 13. (C) Speaking to Polcouns earlier on February 1, a Director in the Prime Minister's office indicated that New Delhi had warning that the King would act late on January 31. Underlining India's concern with the unfolding situation, Prime Minister Manmohan Singh and his foreign affairs team reportedly met early on February 1 to review the situation and craft a response. MEA Director (Nepal and Bhutan) Achal Kumar Malhotra told Poloff that, given India's keen interest in the long-term stability of Nepal, the MEA would issue further statements if necessary and would continue to closely monitor the situation.
- 14. (C) MEA Under Secretary (Nepal) Manu Mahawar emphasized that the GOI had not yet decided whether to suspend aid to Nepal, a decision that would come only after India had reviewed the situation in greater detail. He noted that communication with the Indian Embassy in Kathmandu had been spotty since local land and cell phone service was unavailable following Gyanendra's announcement, a situation that contributed to the uncertainly surrounding the situation. Predictably, the Indians have already started asking whether the developments in Nepal will trigger Section 508 sanctions from the US.

## Comment

- 15. (C) The Indian government has repeatedly expressed an interest in continuing to coordinate with the US as the situation unfolds in Kathmandu. Saran's call to the Ambassador suggests that New Delhi is gravely concerned about the situation in Nepal, and is likely to ramp up their signals of displeasure with the King's actions in both public and private. Whether the GOI will suspend military aid remains to be seen. As one of our contacts noted, Gyanendra's decision to sack the Deuba government was "a direct snub to New Delhi," especially in light of India's repeated requests that the King avoid such a course. The same contact also speculated that Kathmandu's closure of the Dalai Lama's office in Nepal was intended as a sop to Beijing, aimed at lining up support from Beijing in the event that New Delhi took a hard line on the King's action.
- 16. (U) Text of the MEA statement follows:

The King of Nepal has dissolved the multiparty government led by Prime Minister Deuba, and has decided to constitute a Council of Ministers under his own Chairmanship. An emergency has been declared and fundamental rights have been suspended. These developments constitute a serious setback to the cause of democracy in Nepal and cannot but be a cause of grave concern to India.

There are also reports that several political leaders have been confined to their residences. The safety and welfare of the political leaders must be ensured and political parties must be allowed to exercise all the rights enjoyed by them under the Constitution.

India has consistently supported multiparty democracy and constitutional monarchy enshrined in Nepal's Constitution as the two pillars of political stability in Nepal. This principle has now been violated with the King forming a government under his Chairmanship.

We have always considered that in Nepal, it is imperative to evolve a broad national consensus, particularly between the monarchy and political parties, to deal with the political and economic challenges facing the country.

The latest developments in Nepal bring the monarchy and the mainstream political parties in direct confrontation with each other. This can only benefit the forces that not only wish to undermine democracy but the institution of monarchy as well.

India has a longstanding and unique relationship with Nepal, with which it shares an open border, a history of strong cultural and spiritual values and wide-ranging economic and commercial links. We will continue to support the restoration of political stability and economic prosperity in Nepal, a process which requires reliance on the forces of democracy and the support of the people of Nepal.

New Delhi February 1, 2005 Ministry of External Affairs MULFORD